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**STATE OF GEORGIA
STANDARD AGENCY AGREEMENT
FOR RENTAL AND LEASE**

Agreement between _____, An Agency
of the State of Georgia, as Lessee, hereinafter referred to as the User Agency, and _____
_____, as Lessor, hereinafter referred to as the Contractor, for the _____
_____ ("Rental"[12 consecutive months or less] or "Lease" [more than 12 consecutive
months]), of certain equipment. Subject to the terms and conditions set out below, the Contractor _____
_____ ("rents" or "leases") to the User Agency the equipment as described below:

1. PAYMENTS

In consideration for the _____ ("Rental" or "Lease") of the equipment covered herein, the User Agency shall pay to the Contractor for the equipment the sum of \$_____ per _____ (day, week, month, quarter, year) as rent during the term of this agreement or any renewal hereof.

2. TERM

This agreement shall begin on the date that the equipment is accepted by the User Agency and shall continue until the close of business of the then current fiscal year of the State of Georgia, unless renewed pursuant to paragraph #3.

3. OPTION TO RENEW

The User Agency is hereby granted ____ successive options to renew this agreement for additional terms of one fiscal year each (July 1 - June 30), and one final option to renew this agreement for a period sufficient to make the total extended term of this agreement _____ months, all upon the same terms and conditions, provided, that such options shall be exercisable solely and exclusively by the User Agency. Exercise of any such option shall be by the issuance of a Purchase Order Correction.

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4. EARLY TERMINATION CHARGES

The payments set out herein are based upon the expectation of the parties that the User Agency will exercise all of the options to renew granted to it. In the event that the User Agency should fail to exercise all of said options to renew, it shall pay to the Contractor as additional rental for the concluding terms:

5. RETURN OF EQUIPMENT

Unless title to the equipment is transferred to the User Agency as provided in paragraph #7, the Contractor may, upon the expiration of the last renewal options exercised by the User Agency or upon an early termination pursuant to paragraphs #4, #16 or #17, enter the premises of the User Agency and remove the equipment. In the event of early termination after the passage of title to the User Agency, and without full payment of the outstanding balance of the purchase price being tendered by the User Agency to the Contractor, title shall be transferred to the Contractor pursuant to paragraph #6.

6. INITIAL CONDITION OF EQUIPMENT

Any equipment leased or purchased hereunder shall be _____ ("new", "remanufactured", "reconditioned", etc.).

7. TITLE

The equipment is and shall at all times remain the sole property of the Contractor, and the User Agency shall have or acquire no right, title or interest therein, except as set forth in paragraph #8.

8. TRANSFER OF TITLE

The User Agency shall have the option of purchasing any equipment acquired by lease or rental hereunder at any time during the term of this agreement or any renewal thereof or upon the expiration of the last renewal term of this agreement for a price equal to:

upon notifying the Contractor of its intent to purchase or pay for the equipment, such notification to be made by issuance of a Purchase Order Correction. There shall be no prepayment penalties assessed for early pay out.

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9. TOTAL OBLIGATION

The total obligation which the User Agency may incur in the **initial** term of this agreement is \$_____. (Indicate amount due from the delivery of the equipment to either the next upcoming June 30 or the termination of the rental whichever comes first. Do not include Delivery or Installation charges [See Sections 10 and 11]). The total obligation which the User Agency may incur in each **renewal** term is as follows:

	RENEWAL PERIOD	TOTAL DOLLAR OBLIGATION FOR PERIOD
*	First Renewal: _____	\$ _____
*	Second Renewal: _____	\$ _____
*	Third Renewal: _____	\$ _____
*	Fourth Renewal: _____	\$ _____
*	Fifth Renewal: _____	\$ _____

* The first and subsequent renewals of the contract are determined by the State of Georgia's fiscal year (July 1- June 30 of the subsequent year). The final renewal may be less than one year. Do not include termination charges in the final renewal amount. Indicate such charges in Section 12.

10. DELIVERY

Shipping and delivery costs, if any, shall be borne by _____ ("Contractor" or "User Agency"), such costs not to exceed \$_____. (If shipping and delivery charges are to be paid by the User Agency, indicate an exact or "shall not exceed" dollar amount; if such charges are not applicable or are to be paid by the Contractor, indicate "Not Applicable"). Shipment/Delivery shall be FOB: Destination.

11. INSTALLATION

The Contractor shall install the equipment at the location designated by the User Agency. Installation costs shall be borne by the _____ ("Contractor" or "User Agency"), such costs not to exceed \$_____. (If installation is to be paid by the User Agency, indicate an exact or "shall not exceed" dollar amount; if such charges are not applicable or are to be borne by the contractor, indicate "Not Applicable")

12. TERMINATION/ RETURN OF EQUIPMENT CHARGES

Upon termination of the Rental or Lease period and all such renewals as shall be applicable, the User Agency shall pay as termination charges an amount not to exceed \$_____. (Indicate either an exact or "shall not exceed" amount or "Not Applicable" if there are no termination charges). Such termination charges shall include packing, shipping, handling and any other charges related to the return of the equipment from the User Agency to the Contractor. These termination charges represent the charges for normal termination of the contract and not the Early Termination Charges referenced in Section 4.

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13. REPAIRS AND MAINTENANCE

Unless otherwise stated in paragraph #23, the Contractor shall maintain the equipment in good working order and will make all necessary adjustments and repairs. For this purpose the Contractor shall have full and free access to the equipment. The charge for such maintenance is included in the payment set out in paragraph #1.

14. TAXES

The User Agency will forthwith pay all taxes lawfully imposed upon it with respect to the equipment or this agreement. The Contractor will forthwith pay all taxes lawfully imposed upon it with respect to the equipment or this agreement. By this section, the User Agency makes no representation whatsoever as the liability or exemption from liability of the Contractor to any tax imposed by any governmental entity.

15. RISK OF LOSS

The Contractor shall assume all risk of loss of the equipment at all times during the term of this agreement or any renewal thereof.

16. PATENTS

Contractor shall, at its expense, be entitled to and shall have the duty to participate in the defense of any suit instituted against the User Agency and indemnify the User Agency against any award of damages and costs made against the User Agency by a final judgement of a court of last resort in such suit insofar as the same is based on any claim that any of the equipment constitutes an infringement of any United States Letters Patent; provided the User Agency gives the Contractor immediate notice in writing of the institution of such suit, permits the Contractor to fully participate in the defense of the same and gives the Contractor all available information, assistance and authority to enable the Contractor to do so. The Contractor shall not be liable for any award of judgement against the User Agency reached by compromise or settlement unless the Contractor accepts the compromise or settlement. The Contractor shall have the right to enter into negotiations for and the right to effect settlement or compromise of any such action, but no such settlement shall be binding upon the User Agency unless approved by the Agency.

In case any of the equipment is in any suit held to constitute infringement and its use is enjoined, the Contractor shall, at its option and expense (1) procure for the User Agency the right to continue using the equipment; or (2) replace or modify the same so that it becomes non-infringing; or (3) remove the same and cancel any future charges pertaining thereto. The Contractor, however, shall have no liability to the User Agency if any such patent infringement or claim thereof is based upon or arises out of; (1) compliance with designs, plans or specifications furnished by or on behalf of the User Agency as to the equipment; or (2) the use of the equipment in combination with apparatus or devices not supplied by the Contractor; or (3) the use of equipment in a manner for which the same was neither designed or contemplated; or (4) the claimed infringement of any patent in which the User Agency or any affiliate or subsidiary of the User Agency had any direct interest by license or otherwise. The foregoing states the entire liability of the Contractor for or resulting from patent infringement or claim thereof.

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17. DEFAULT

Upon the failure of the User Agency to make any payment when due, or upon the failure of the User Agency to perform any other obligation imposed upon it by this agreement and upon the continuance of such failure after the receipt of written notice thereof from the Contractor, the User Agency shall be deemed to be in default hereunder. Upon the occurrence of any such default, the Contractor shall have the right, in addition to any other legal remedy available to it, to enter the User Agency's premises and remove the equipment.

18. FUNDING

Notwithstanding any other provision of this agreement, the parties hereto agree that the charges hereunder are payable by the User Agency solely from appropriations received by the General Assembly of the State of Georgia. In the event such appropriations are determined in the sole discretion of the chief operating officer of the User Agency no longer to exist or to be insufficient with respect to the charges payable hereunder, this agreement shall terminate without further obligation of the User Agency as of that moment (hereinafter referred to as "Event"). In such Event, the chief operating officer of the User Agency shall certify to the Contractor the occurrence thereof, and such certification shall be conclusive. In the event of the User Agency's certification, the User Agency agrees not to replace before the end of the fiscal year in which the Event occurs or before the expiration of this agreement, whichever occurs first, the equipment covered hereunder with equipment obtained from another contractor at the same or higher annual cost to the User Agency.

19. ASSIGNMENT

The Contractor may, with the prior approval of the User Agency, assign its right to receive payments hereunder, provided, that such assignment shall not relieve the Contractor of its responsibility to perform any duty imposed upon it herein.

20. SEVERABILITY

This agreement embodies the entire agreement between the parties. It may not be modified or terminated except as provided herein by other written consent. If any provision herein is held to be invalid, it shall be considered deleted here from and shall not invalidate the remaining provisions.

21. CHOICE OF LAW

This agreement shall be governed in all respects by the laws of the State of Georgia.

22. GENERAL

- a. The provisions of the Georgia Vendor Manual are incorporated herein by reference and made a part hereof as if it had been fully set out herein. Provided, however, that in the event of a conflict between the terms and conditions contained therein and the terms and conditions of this agreement, the latter shall be controlling.
- b. The terms, conditions and specifications of the Request for Proposal or Request for Quote, if any, and/or any award made in connection with this transaction are incorporated herein by reference and made a part hereof just as if they had been fully set out herein.
- c. Items covered herein are exempt from Federal Excise Tax and from Georgia Sales and Use Tax.

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23. DRUG-FREE WORKPLACE

- a. If Contractor is an individual, he or she hereby certifies that he or she will not engage in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of this contract.
- b. If Contractor is an entity other than an individual, it hereby certifies that:
 - (1) A drug-free workplace will be provided for the Contractor's employees during the performance of this contract; and

- (2) It will secure from any subcontractor hired to work in a drug-free workplace the following written certification: 'As part of the subcontracting agreement with (Contractor's Name), (Subcontractor's Name), certifies to the Contractor that a drug-free workplace will be provided for the subcontractor's employees during the performance of this contract pursuant to paragraph 7 of subsection B of Code Section 50-24-3.'

c. Contractor may be suspended, terminated, or debarred if it is determined that:

- (1) The Contractor has made false certification hereinabove; or
- (2) The Contractor has violated such certification by failure to carry out the requirements of Official Code of Georgia Section 50-24-3."

24. SPECIAL INSTRUCTIONS

The following Special Instructions shall be in addition to the foregoing terms and conditions:

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This agreement shall be executed on behalf of the User Agency by the issuance, by State Purchasing of the Department of Administrative Services, of a Purchase Order or by the issuance by the User Agency of a Field Purchase Order referencing same.

In the event this agreement is entered into as the result of a competitive bid, the following paragraph shall be deemed to be applicable.

"I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud. I understand that collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of this bid, and certify that I am authorized to sign this bid for the bidder (O.C.G.A. 50-5-67). I further certify that the provisions of the Official Code of Georgia Annotated 45-10-20 et. seq. have not and will not be violated in any respect."

Accepted and executed this _____ day of _____, 19____.

CONTRACTOR: _____

BY: _____
(Authorized Signature)